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(Security Classification)

Enclosure 2.DCN Case Summaries

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(Note: Unless indicated otherwise [redacted] information contained in these summaries is classified SECRET/NOFORN/INFORMATION ONLY)

1. DCN Case 363 (Mercury - 5000 flasks; SEMBODJA/LINDHE)

In the last quarter of 1954 SEMBODJA CORPORATION, New York owned by Al NONES, defaulted on a contract to sell 5,000 flasks of Mexican mercury through R.F. EBERHARDT CO., New York, to E.M.M. LTD, Antwerp (Louis VANDERVEKEN). VANDERVEKEN's customer was John a LINDHE, Stockholm. Without making known the specific grounds for his suspicion VANDERVEKEN suspected that NONES, with the possible collusion of EBERHARDT, applied for and obtained a Mexican export license on the basis of the Swedish end-use statement and that he sold the mercury elsewhere, "possibly behind the Iron Curtain". Antwerp D-381, 3 May 1955, LIMITED OFFICIAL USE.

2. DCN Case 364 (Machine Tools; Natl. Acme/Steyr)

During 1953 NATIONAL ACME CO., Cleveland, sold three machine tools to STEYR-DAIMLER PUCH AG., Vienna (three automatic screw machines). The sales were made through the Austrian agent for ACME, - ERNST KRAUSE & CO., Vienna. The goods weighed approximately 42,000 kilos. On September 4, 1953 a barge left Vienna carrying 42,170 kilos of machine tools from the NATIONAL ACME CO., Cleveland, being forwarded to Maspes, Budapest, by NEUSSER-RIEGL, Vienna. It is possible that the machine tools shipped by ACME during May and June 1953 were on the barge mentioned above, -- or so the similarity in weights would indicate. Because the three screw machines were destined for installation in the Steyr and Graz factories of the consignee, BFC in May 1955 requested Vienna to make a personal inspection of those plants to see whether the machines were actually installed as planned. BFC, FA-1205; 23-301. Air letter 5 May 1955, SECRET.

[redacted] However, Embassy Vienna Despatch No. 1336, May 20, 1955 indicates machines were installed as planned at the STEYR-DAIMLER PUCH AG.

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3. DCN Case 365 (Copper - 1400-5000 tons; Olson/Goldstein/ Soc. Metaux)

✓ According to Hamburg D-408, 10 May 1955 a Emil FRIEDMANN, well known informant on East-West trade transactions, recently disclosed information on a projected diversion of a total of 5,000 tons of Chilean copper. Friedmann's source was Alfred JOSCHKOWITZ who

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obtained his information from Eric GOLDSTEIN, one of the principals. Joschkowitz himself was recently involved in illegal copper and nickel transactions (SEE DCN 269).

According to Goldstein, 1400 tons of copper are to be shipped on or about 26 May 1955, on a specially chartered vessel whose nationality Friedmann did not know. A. OLSON, P.O. Box 207, Goteborg, Sweden, is providing the import certificate, and financing is being handled through the Westminster Bank, London. The intermediary is reportedly SOCIETE METAUX of Brussels which Friedmann claims is owned by Olson, Goldstein and a Felix FINKELSTEIN front man for Goldstein.

4. DCN Case 366 (Barium Nitrate; Schneider/Sandoz)

In April 1955 the firm Albert SCHNEIDER, Nassauischerstr. 60, Berlin-Wilmersdorf, shipped 9,869 kilos of barium nitrate to DIA-Chemie, Berlin. SANDOZ, A.G., Basel, acted as intermediary in the transaction and placed the order for DIA with the SCHNEIDER firm. It is possible that the SCHNEIDER of this report is the Albert SCHNEIDER who in 1951 was the Sovzone sales agent for the Hamburg metal firm KAUS & STEINHAUSEN which was then selling steel products to the East. CA-8137, 20 May 1955.

5. DCN Case 367 (Nickel rivets; SS Puck)

Antwerp's Despatch 308, 14 March 1955, reported that 9 cases of nickel rivets of West German origin, weighing 777.5 kilograms, valued at 20,000 Belgium francs had been diverted to Poland at Antwerp. The nickel rivets were sent by rail via the Custom Post at Montzen, Belgium and shipped from Antwerp aboard the SS PUCK (Polish) to Gdynia on 12 December 1955. The goods, originally declared under Benelux paragraph 733A3 (Nickel Rivets) by Schentur and Company, Antwerp, showed the destination as United Kingdom. On 6 December 1954 the documents were ceded to forwarding agent PSAL by whom the destination was amended to Poland.

COCOM Document #1921, 21 April 1955, reports the German delegate as informing that committee regarding the attempted diversion of nickel in the form of rivets via a third country and called the attention of member governments to the danger of diversions of this type in the future. CA-7947, 16 May 1955 suggested Embassy Bonn bring the above diversion to the attention of the West German Government with reference to their COCOM statement.

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